

Please note: These transcripts are not individually reviewed and approved for accuracy.

HEARING
STATE OF CALIFORNIA
INTEGRATED WASTE MANAGEMENT BOARD
SPECIAL WASTE COMMITTEE

JOE SERNA JR., CALEPA BUILDING
1001 I STREET
COASTAL HEARING ROOM
SACRAMENTO, CALIFORNIA

WEDNESDAY, JULY 12, 2006

10:10 A.M.

JAMES F. PETERS, CSR, RPR
CERTIFIED SHORTHAND REPORTER
LICENSE NUMBER 10063

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

APPEARANCES

COMMITTEE MEMBERS

Ms. Margo Reid Brown, Chairperson

Ms. Rosalie Mul

Mr. Gary Petersen

BOARD MEMBERS

Ms. Cheryl Peace

STAFF

Mr. Mark Leary, Executive Director

Ms. Julie Nauman, Chief Deputy Director

Mr. Elliot Block, Acting Chief Counsel

Mr. Jim Lee, Deputy Director

Mr. Mitch Delmage, Manager, Tire Management Branch

Mr. Nate Gauff

Ms. Robert Kunisaki

Ms. Michelle Martin

Ms. Victoria Rocha

ALSO PRESENT

Mr. Michael Blumenthal, Rubber Manufacturers Association

Ms. Terry Leveille, TL & Associates

Mr. Leonard Robinson, Chief Deputy Director, Department of
Toxic Substances Control

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

INDEX

| | PAGE |
|--|------|
| Roll Call And Declaration Of Quorum | 1 |
| Public Comment | 1 |
| A. Deputy Director`s Report | 1 |
| B. Consideration Of Grant Awards For The Targeted Rubberized Asphalt Concrete Incentive Grant Program (Tire Recycling Management Fund, FY 2006/07) -- (July Board Item 14) | 35 |
| Motion | 36 |
| Vote | 36 |
| C. Consideration Of Applicant Eligibility, Project Eligibility, And Evaluation Process For The Tire-Derived Product Grant Program (Tire Recycling Management Fund, FY 2006/07) -- (July Board Item 15) | 40 |
| Motion | 73 |
| Vote | 74 |
| D. Consideration Of Reallocation Of Fiscal Year 2006/07 Funds And Scope Of Work For The Tire Retread Targeted Outreach Materials And Promotional Training Contract (Tire Recycling Management Fund, FY 2006/07) -- (July Board Item 16) | 74 |
| Motion | 80 |
| Vote | 81 |
| E. Consideration Of Approval Of Allocation, Scope Of Work, And Contractor For Development And Implementation Of Universal Waste Public Service Announcement Campaign (Integrated Waste Management Account, FY 2006/07) -- (July Board Item 17) | 4 |
| Motion | 34 |
| Vote | 34 |
| Adjournment | 82 |
| Vote | 83 |

1 PROCEEDINGS

2 CHAIRPERSON BROWN: Good morning. Thank you all
3 for being here.

4 I'd like to remind you to turn your cell phones
5 or pagers off. There are speakers slips in the back of
6 the room.

7 Kristen, can you call the roll.

8 COMMITTEE SECRETARY GARNER: Members Mulé?

9 COMMITTEE MEMBER MULÉ: Here.

10 COMMITTEE SECRETARY GARNER: Petersen?

11 COMMITTEE MEMBER PETERSEN: Here.

12 COMMITTEE SECRETARY GARNER: Brown?

13 CHAIRPERSON BROWN: Here.

14 And I'd like to acknowledge and thank Member
15 Peace for joining us this morning.

16 Do we have any public comment before we begin?

17 Without objection from the Committee, I would
18 like to notice that we would like to take Committee Item
19 E, Agenda Item 17, out of order, immediately following our
20 Deputy Director's Report.

21 And then we will move directly to our Deputy
22 Director's Report.

23 Jim Lee.

24 DEPUTY DIRECTOR LEE: Thank you, Madam Chair.

25 And good morning Board members. My name is Jim Lee,

1 Deputy Director for the Special Waste Division.

2 I have a couple of items in my Deputy Director's
3 report for you this morning. I want to take the time to
4 update you on some items that I touch on in my weekly
5 reports to the Board.

6 The first item is progress on the Universal
7 Portfolio site cleanup. My staff advises me that we are
8 receiving full cooperation from the Universal Portfolio
9 site representatives and we are ahead of schedule with the
10 cleanup. All of the tires have been removed to a staging
11 area. The tires are being transported offsite to a
12 permitted disposal area, a process which we expect to take
13 the next several weeks. Universal Portfolio's engineering
14 contractor is expected to commence the insulation of the
15 erosion control measures within the next two weeks.

16 On two other Sonoma tire sites, the Infineon site
17 and the Ahlgrim site, the Board has received a formal
18 request to assume lead agency responsibility for these
19 sites. At present this responsibility is currently vested
20 with the Sonoma County Resource Conservation District.
21 Program and Legal staff will review the letters and
22 appropriate CEQA statutes and procedure to assure that it
23 is appropriate for the Board to assume this responsibility
24 for these sites. Staff will then brief or advise the
25 Board as appropriate on potential issues regarding this

1 action.

2 Preliminarily I want to note that the staff feels
3 that the interests of the Board and all involved
4 landowners would be best served by the Board assuming this
5 responsibility. The Board has already performed this
6 function to good effect on the BB Family Ranch property,
7 which had many similar environmental concerns.

8 As lead agency, the Board will not prepare CEQA
9 documents, but we will ensure they are appropriately
10 processed and made available for review by the public and
11 interested parties.

12 In consultation with responsible agencies such as
13 the Corps of Engineers, the regional board and the Fish
14 and Wildlife Service, the leading agency will make
15 determinations on the type and adequacy of environmental
16 documentation and appropriate mitigation.

17 On another matter, the Board has received an
18 additional \$5 million as part of a BCP approved with the
19 passage of this year's budget. We will be coming forward
20 to the Board in September with an agenda item requesting
21 approval of an allocation of this \$5 million among our
22 various RAC and civil engineering efforts.

23 We are also discussing with Legislative Affairs
24 the potential for passage of the Simitian legislation,
25 which would continue the existing Kuehl bill program, and

1 the timeframe for implementation if enacted so that we can
2 decide if we need to account for this at our September
3 discussion before the Board.

4 Madam Chair, that concludes my Deputy Director's
5 report. And unless there's any comments or questions, I'm
6 prepared to move into the rest of the day's agenda.

7 CHAIRPERSON BROWN: Thank you, Jim.

8 Any comments or questions for the Deputy
9 Director's report?

10 No. But that's great news about Sonoma.

11 DEPUTY DIRECTOR LEE: Yes, ma'am.

12 CHAIRPERSON BROWN: I think everybody's pleased
13 to hear that.

14 Okay. Then we will move to Committee Item E,
15 Board Item 17.

16 Jim.

17 DEPUTY DIRECTOR LEE: Thank you, Madam Chair.

18 Committee Item E, Board Item 4, is consideration
19 of allocation, scope of work, and contractor for the
20 development and implementation of Universal Waste Public
21 Service Announcement Campaign.

22 This proposed campaign is a component of our
23 Universal Waste Action Plan. You will recall that there
24 were three main areas of focus in the U-Waste Action Plan.

25 The first was in marshalling all available fund

1 support to assist local jurisdictions with their U-waste
2 collection and recycling efforts. Using the Board's
3 annual Household Hazardous Waste Grant Program as the
4 instrument for this initiative, the Board has allocated \$4
5 1/2 million for planning and coordination efforts and
6 infrastructure collection projects focused on U-waste.
7 Staff expects to bring forward to the Board in August the
8 proposed grant awards to local jurisdictions to jump-start
9 their efforts in these areas.

10 A second area of focus was on outreach to the
11 public, to fully acquaint and inform them on restrictions
12 on disposal of these materials and to encourage support
13 their collection and recycling efforts. The Board's
14 initiatives in these areas have been ongoing for more than
15 two years, working with our local jurisdictions through
16 our bimonthly Household Hazardous Waste exchange programs
17 and our annual conference.

18 Working with our sister agency, the Department of
19 Toxic Substances Control, we have increased our efforts in
20 this regard since the February 2006 ban on disposal of
21 this material to landfills by households by utilizing
22 selective media events and development of additional web
23 content and outreach materials.

24 All the while, we've had to be conscious that our
25 outreach efforts to stimulate the public's interest and

1 involvement are timed and coordinated such that we don't
2 overwhelm the nascent U-waste collection and recycling
3 infrastructure. To this end, we are bringing forward
4 today's item to provide additional tangible support for
5 our Universal Waste Action Plan and our outreach efforts
6 in particular.

7 I also want to emphasize that the funding for
8 this effort, if approved by the Board, will only be
9 utilized at a time deemed appropriate by Board staff in
10 consultation with our contractor and our DTSC partner.

11 I'll now ask Roberta Kunisaki to provide the
12 details of the proposed project and scope of work. At the
13 conclusion of her remarks, I would like to discuss the
14 third main area of focus of our U-waste action plan, the
15 Take-It-Back Program, and to introduce Leonard Robinson,
16 the Chief Deputy Director of the Department of Toxic
17 Substances Control. Mr. Robinson would like to address
18 the Committee in support of today's public service
19 campaign, but also to take this opportunity to discuss the
20 implementation strategy for the Take-It-Back Program.

21 With that, I'll now ask Roberta Kunisaki to make
22 the next part of the staff presentation.

23 (Thereupon an overhead presentation was
24 Presented as follows.)

25 MS. KUNISAKI: Good morning, Chair brown,

1 Committee members, guests. Roberta Kunisaki, Office of
2 Public Affairs.

3 On February 8th, 2006, the regulatory exemption
4 that permitted universal waste to be disposed of legally
5 in household trash expired. Since this date households
6 and conditionally exempt small quantity generators have
7 been required to bring their -- to begin taking their
8 U-waste to a Household Hazardous Waste facility or to a
9 collection event.

10 On February 14th, 2006, the Board approved
11 scoring criteria and directed staff to support the
12 Department of Toxic Substances Control outreach and
13 educational efforts.

14 Today we are asking the Board to approve the
15 proposed scope of work for the development and
16 implementation of a universal waste public service
17 announcement campaign in the amount of \$50,000, approve
18 the proposed contractor, California Broadcasters
19 Association, and to give staff further direction on how to
20 proceed with the Board's supporting role for outreach and
21 education efforts with DTSC.

22 The California Broadcasters Association is the
23 proposed contractor, and they are uniquely qualified to
24 conduct this activity. The association provides a service
25 that would benefit the State of California and the

1 Universal Waste Program in that they will provide quality
2 material as well as high placement in markets throughout
3 California that no other organization can provide.

4 The association is the only one of its kind in
5 California and it represents hundreds of radio and
6 television stations in specific markets -- media markets.
7 Working with this contractor will allow us to target
8 specific radio stations. The association has the talent
9 and the script writing ability to produce the radio spot,
10 saving the state dollars in studio and production time.

11 The association also guarantees a 2-to-1 return
12 on every dollar invested. They have also indicated to us
13 that the return often exceeds 3 or 4 to 1.

14 The contractor will perform a variety of tasks
15 designed to increase public understanding of the purpose
16 and benefits of the California universal waste regulations
17 through effective public service announcement, creation
18 and implementation, to achieve more consistent consumer
19 messaging in the local HHW level and to strengthen
20 participation of California corporate retailers.

21 Work to be performed includes, but is not limited
22 to, the drafting of various scripts aimed at California
23 consumers with the intent to educate on proper recycling
24 and disposal of those items listed under the universal
25 waste regulations; creating, producing and editing two

1 30-second public service announcements for statewide use;
2 planning and implementing a distribution and run-time
3 schedule utilizing California radio and television
4 stations; and monitoring and reporting back to the Board
5 with all times the PSAs were played.

6 Staff recommends that the Board approve Option 1
7 and approve item -- Agenda Item No. 17, proposed funding
8 allocation, scope of work and the contractor for universal
9 waste public service announcement campaign and adopt
10 Resolution No. 2006-110.

11 This concludes my presentation. I'd be happy to
12 answer any questions you may have.

13 CHAIRPERSON BROWN: Thank you, Roberta.

14 Shall we go directly to --

15 DEPUTY DIRECTOR LEE: If we could -- Madam Chair,
16 if I could ask that we bring Mr. Robinson up to the podium
17 to speak about the Take-It-Back Program. I think that
18 would be informative for the Board to hear his support for
19 this particular campaign and also again about the
20 Take-It-Back Program in general.

21 CHAIRPERSON BROWN: Great. Thank you.

22 Welcome --

23 MR. ROBINSON: Thank you.

24 CHAIRPERSON BROWN: -- Mr. Robinson.

25 MR. ROBINSON: Madam Chair, members of the Board,

1 staff and members of the public. Thanks for the
2 invitation to come out and speak.

3 I just want to make -- what I'm going to talk
4 about is what we've done, what we're doing and what we
5 plan to do in regards to the Take-It-Back Partnership.

6 As everybody knows here, starting February 9th,
7 we invited the public and small quantity generators to
8 help us protect the environment by not putting universal
9 waste in the trash any longer. What we wanted to do is
10 have an outreach to do that. So thus the Take-It-Back
11 Partnership -- I'm pretty sure the Board is familiar with
12 it. I don't need to go to the stump speech. But I just
13 wanted to give a detail of the activities that have taken
14 place. And we also support the idea of having public
15 service announcements with the CBA.

16 --o0o--

17 MR. ROBINSON: The activities started in March,
18 various interviews on cable TV. We sent out letters to 30
19 corporate retail store executives inviting them to telling
20 about the Take-It-Back Partnership, telling about
21 universal waste, what's going on in California, and
22 inviting them to be part of the partnership. Made a
23 presentation at the Household Hazardous Waste Information
24 Exchange in Anaheim, and also appeared on KOCE TV.

25 --o0o--

1 MR. ROBINSON: In March there was actually a
2 conference called -- guess what? -- Take-It-Back. So in
3 Las Vegas I made a presentation there about the
4 Take-It-Back and what we're doing in California.

5 Just to note, everywhere I've gone to talk it,
6 it's gotten everybody's attention. Even the letters we
7 sent out to the corporate executives -- normally you get a
8 letter back from the environmental attorney telling you
9 no. But now, we're actually hearing back from their
10 public relations people, we're hearing back from their
11 environmental managers and their facility managers saying,
12 "How can we make this work?"

13 So these are the items that we accomplished in
14 April as far as getting the word out in Take-It-Back, any
15 venue, anybody that wanted to hear about universal waste,
16 electronic waste or Take-It-Back, we accomp -- we took
17 care of them.

18 --o0o--

19 MR. ROBINSON: In May, the Great Valley
20 Conference, even back in Washington DC, the steel
21 manufacturers, they were more interested in the voluntary
22 effort -- or the voluntary nature of the of Take-It-Back
23 partnership. I was able to talk about two initiatives
24 that were voluntary that were very successful. One was
25 the used oil filter recycling program back in 1991. It

1 was a voluntary program. And the results of that are 2
2 million used oil filters are getting recycled every month
3 and people are actually getting paid to bring the used oil
4 filters in. And that was a strictly voluntary initiative
5 working with industry.

6 The Imperial County Board of Education was
7 interested. And the San Diego -- I made a presentation at
8 the San Diego Regional Chamber of Commerce.

9 --o0o--

10 MR. ROBINSON: In June, there was a draft, a
11 project agreement for Take-It-Back Partnership IT support.
12 I got a copy of that from the Waste Board.

13 The Industry Advisory Board presentation in
14 Whittier.

15 Made a presentation at the product stewardship
16 forum in Chicago. Product Stewardship Forum in Chicago.
17 Product stewardship ultimately is going to be the
18 direction of electronic waste and universal waste where
19 the producers get involved. But the neat thing about the
20 Take-It-Back is the stop gap that kind of bridges the gap
21 between the consumer and producer by engaging the
22 retailers.

23 On June 28th, participated in a press conference
24 with Keep California Beautiful and Assemblymember Fran
25 Pavley on cell phone recycling.

1 And June 29th, sent out letters to all 58 Boards
2 of Supervisors advising them about the Take-It-Back
3 Partnership, about universal waste, and to get the word
4 out.

5 --o0o--

6 MR. ROBINSON: July and August, the Take-It-Back
7 Partner tool kit was launched. Very significant. That
8 answers the question to a lot of retailers, "What do I
9 have to do to take it back? What are the compliance
10 issues? What's this, this and this?" So now launched
11 yesterday on the DTSC website is a Take-It-Back Partner
12 tool kit. So when you get a chance, peruse that. We're
13 open for recommendations to make it user friendly.

14 Future activities: Mono County Board of
15 Supervisors are interested in a Take-It-Back presentation;
16 imperial County Board of Supervisors; and an Imperial Farm
17 Bureau radio program.

18 One of the things, in the more urban areas the
19 universal waste and electronic waste, they're pretty
20 organized. But in the rural areas, they're the ones that
21 need the help and the support.

22 --o0o--

23 MR. ROBINSON: This is what the tool kit looks
24 like. Real simple. Gives it the Take-It-Back Partnership
25 logo, which is the State of California with the gold

1 arrows, giving us a golden opportunity to protect the
2 environment. And it talks about batteries, fluorescent
3 lamps and electronic devices.

4 --o0o--

5 MR. ROBINSON: These are Take-It-Back partners.
6 Now, we've identified 143 entities that are taking it
7 back. Now, are all of them a member of the Take-It-Back
8 Partnership directly? No. A lot of them are working with
9 household hazardous waste and a lot of efforts. The
10 Take-It-Back partner -- the Take-It-Back theme has been
11 going on. There's been retail stores, there's been
12 household hazardous waste, there's been all kind of
13 partnerships going on at the local level. So what we're
14 trying to do on the Take-It-Back is to herd everybody in,
15 to get on a common database and support the efforts of our
16 local partners.

17 --o0o--

18 MR. ROBINSON: Strategic partnerships:
19 Dell and Goodwill Industries. As you know,
20 they've combined to take back computers. Not only the
21 screens that are mandated, but they're also taking back
22 printers, they're taking about the CPUs. And they
23 welcome -- they've invited us to their partnership, so I
24 invited them to our partnership.

25 The Consumer Electronic Retailers corporations.

1 Members include Radio Shack, Wall Mart, K-Mart, any of the
2 retail stores that sell electronics. I can actually make
3 one -- I can send one thing out, and they will send out
4 the information to all their members.

5 Keep California Beautiful. We're working closely
6 with them with the cell phones, and to see if they'd --
7 get them interested in talking to their partners on
8 Take-It-Back batteries and fluorescent tubes.

9 The Rechargeable Battery Recycling Corporation
10 probably gives the best format for voluntary Take-It-Back
11 efforts.

12 SMUD, PG&E, Southern California Edison, Earth
13 9-1-1, Californians Against Waste, and Sierra Club are
14 strategic partners. You know, it just -- it's dawned on
15 me recently that I don't know everything, I don't think we
16 know everything here. So the best way to find out, to get
17 people involved is ask.

18 --o0o--

19 MR. ROBINSON: These are future activities. We
20 need to launch the Take-It-Back on-line registration, the
21 Take-It-Back location database. Let's identify and
22 promote other Take-It-Back activities in the state.
23 Recruit more big box and chain retail stores. We need the
24 big box, we need the brick and mortar and the click and
25 order stores. Any stores that sell, we need to get them

1 involved in the Take-It-Back Partnership.

2 We need to answer the WIIFM question for

3 retailers. You know what the number one question is:

4 Who's going to pay for the management of the batteries?

5 Well, the answer right now is real easy. We want the

6 retail stores to pay for them. But there's a lot of other

7 WIIFM questions. As you know, there was a study, and

8 people that brought used oil back to auto parts stores

9 spent an average of \$60. Multiply that by the size of a

10 Wall Mart or a Home Depot, people taking it back, and we

11 want them to -- they're examining what is the advantage of

12 having more foot traffic come in their stores. And now

13 that we have the tool kit up, they can go on-line and kind

14 of look around and see what the risk and the benefits are.

15 We need to create -- we need to identify more

16 universal waste recycling vendors.

17 Create environmental protection metrics for

18 universal waste. I like the one for the cell phone. They

19 said one cell phone can pollute 40,000 gallons of

20 groundwater, of drinking water. So we need to come up

21 with more metrics. We're protecting the environment from

22 mercury, cadmium, lead, chromium and all those things. So

23 we need to come up with better metrics that the

24 consumer -- so that consumer says, "What happens? How am

25 I protecting the environment with that fluorescent tube

1 that I take back or the battery that I take back, the
2 electronic waste I take back?"

3 Need to create a Take-It-Back advisory group,
4 partners and strategic partners, find out what it would
5 take to recruit more people.

6 And then strategically launch public service
7 announcements.

8 --o0o--

9 MR. ROBINSON: We agree that the California
10 Broadcasters Association is a good choice. They're one of
11 its kind in California. They represent radio stations.
12 They can be targeted to media markets. They will produce
13 a radio spot, saving time in production. And they
14 guarantee a greater than 2-to-1 return on every dollar
15 invested.

16 --o0o--

17 MR. ROBINSON: And just a suggestion for maybe
18 the timing of the partnership. September 18th to the
19 24th, it's the National Pollution Prevention Week.
20 Excellent time; everybody's focused on pollution
21 prevention.

22 November 15th is America Recycles Day.

23 Or we just create a Take-It-Back or a universal
24 theme based day, week or whatever to really focus the
25 attentions.

1 But these are recommendations on the timing for
2 the public service announcements.

3 --o0o--

4 MR. ROBINSON: That's the end of my presentation.
5 If anybody has any questions -- we're putting a lot of
6 high energy into this. We really believe in it. I have
7 yet to have anybody say -- well, they've always said I'm
8 crazy. But they haven't said the program is crazy.

9 So I'll entertain any questions.

10 CHAIRPERSON BROWN: Thank you very much, Leonard.
11 Questions from Board members?

12 Mr. Petersen.

13 COMMITTEE MEMBER PETERSEN: Okay. Good morning.

14 You have enough enthusiasm. That's for sure.

15 The question here is is that -- okay, in my house
16 I have certain kinds of electronics. And let's say I want
17 to go back to Radio Shack and -- I'm just asking the
18 scenario now -- but they don't sell that particular item.

19 MR. ROBINSON: Right.

20 COMMITTEE MEMBER PETERSEN: Will they still take
21 the stuff?

22 MR. ROBINSON: No. What we like about the
23 Take-It-Back poster, it will have the Take-It-Back logo
24 and then it will have a sticker of what they take back
25 specifically. And then, because it's a voluntary program,

1 they can name the rules. Maybe they'll only take back
2 stuff that they've sold you or you have to come back with
3 the receipt or you have to buy something. We're not going
4 to limit them on what they can and can't take back,
5 because it's a voluntary program.

6 COMMITTEE MEMBER PETERSEN: Right.

7 MR. ROBINSON: So -- just like the lotto sticker,
8 you'll see the Take-It-Back sticker -- the Take-It-Back
9 poster, and you'll see the sticker of what they will take
10 back.

11 COMMITTEE MEMBER PETERSEN: So basically what
12 you're saying then, in the local jurisdictions where we're
13 doing household hazardous waste, they'll take most
14 everything there of the --

15 MR. ROBINSON: Yeah. For right now, yes.

16 COMMITTEE MEMBER PETERSEN: Okay. I have some
17 other questions, if you don't mind.

18 CHAIRPERSON BROWN: Go right ahead.

19 COMMITTEE MEMBER PETERSEN: Okay. On the
20 California Broadcasters Association, have they guaranteed
21 to us these prime times for air time on the PSAs? Is that
22 something that's --

23 MS. KUNISAKI: We have gotten a guarantee from
24 them. But they did also tell us that the -- their peak
25 audience is between 6 a.m. and 12 midnight. And so there

1 is some timeframes there. They didn't give specific exact
2 timeframes.

3 COMMITTEE MEMBER PETERSEN: But your prime times
4 are you drive times, morning and --

5 MS. KUNISAKI: We have that -- yes, we have that
6 guarantee.

7 COMMITTEE MEMBER PETERSEN: Oh.

8 MR. ROBINSON: Yeah. And there's a -- you should
9 have a handout of what the CBA offers.

10 COMMITTEE MEMBER PETERSEN: Right. I know where
11 they are.

12 Now, can we find dollars for this E-waste account
13 from our -- I mean can we take the dollars out of the
14 E-waste accounts and preserve what we've got in this
15 limited IWMA contract money? Is that something we could
16 take a look at?

17 MR. ROBINSON: I'm sorry, I just -- oh, I'll tell
18 you what. If you want DTSC to answer yes, you can do
19 anything you want to do.

20 (Laughter.)

21 COMMITTEE MEMBER PETERSEN: I like this guy.

22 MS. KUNISAKI: We can check -- I don't have the
23 answer for that, but we can find out for you and get back
24 with --

25 COMMITTEE MEMBER PETERSEN: Would you? Maybe

1 we --

2 MS. KUNISAKI: I'm not prepared to answer that
3 question. We can get an Admin person if -- oh, they're
4 over there in counsel.

5 COMMITTEE MEMBER PETERSEN: Okay. Well, just a
6 thought.

7 Okay. I'm done.

8 EXECUTIVE DIRECTOR LEARY: Madam Chair. Mark
9 Leary, Executive Director.

10 Old habits die hard.

11 I don't know that we've done a full analysis on
12 the question or not. I think we -- by the Board meeting
13 next week we'll certainly have prepared that analysis as
14 to whether this would be eligible for E-waste support. It
15 has to get back to the statutory purpose of the E-waste
16 funds and whether this fits that purpose. So we'll take a
17 look at that.

18 COMMITTEE MEMBER PETERSEN: Okay. This is great.
19 This is really great. Go, guys, go.

20 MR. ROBINSON: Thank you very much.

21 CHAIRPERSON BROWN: Rosalie.

22 COMMITTEE MEMBER MULÉ: Thank you, Madam Chair.

23 I have a few questions I saw that the PSAs will
24 be done in English.

25 Is there any way that we can have these done in

1 English and Spanish? I feel strongly that we should have
2 them done English and Spanish.

3 MR. ROBINSON: I agree as well.

4 COMMITTEE MEMBER MULÉ: I mean I think if we're
5 going to go through the effort of producing these, we
6 should do them in English and in Spanish.

7 MS. KUNISAKI: We can make sure that that
8 happens.

9 MR. ROBINSON: Yes.

10 COMMITTEE MEMBER MULÉ: Okay. Let's see. And
11 so, Leonard, basically the corporations that have signed
12 up are the ones that you showed up on the PowerPoint,
13 correct?

14 MR. ROBINSON: Right.

15 COMMITTEE MEMBER MULÉ: And you're working on
16 getting of the big box folks?

17 MR. ROBINSON: Right.

18 COMMITTEE MEMBER MULÉ: Okay. And you had
19 mentioned that, you know, targeting the rurals is a little
20 bit more difficult. So I have a recommendation. You may
21 want to contact the Regional Council of Rural Counties. I
22 mean they're a very effective organization. And we work
23 with them or they -- they're one of our stakeholders.
24 They do -- they're very vocal and they're very involved
25 and they're a very good organization. And I'm sure that

1 if you contacted them or you work with our staff, that
2 they would help you with your outreach efforts.

3 And then one last question I have. On the
4 strategic partnerships, SMUD, PG&E and SCE, what types of
5 products do they take back, and where do they take them
6 back?

7 MR. ROBINSON: Well, it's not necessarily take it
8 back. But these are the three that are always saying,
9 "Hey, use those fluorescent tubes because they last
10 forever." Well, they're right. After the light has gone
11 out, the mercury lasts forever in the environment. So we
12 want them to be aware.

13 And also I'm talking with them. I've explained
14 the program. If they want to subsidize the management of
15 fluorescent tubes, you know -- or even getting the word
16 out by putting the universal waste -- or putting the ban
17 on disposing of universal waste in trash in the bills that
18 they send out, they can help out with the outreach. But
19 I'm hoping in my optimistic way that they'll write a check
20 and subsidize it. Because I know that they are selling
21 and promoting for fluorescent tubes and very energy
22 efficient technology.

23 COMMITTEE MEMBER MULÉ: Right. So I like your
24 idea of having them help with the outreach.

25 MR. ROBINSON: Yes.

1 COMMITTEE MEMBER MULÉ: And I assume then that's
2 what CAW and Sierra Club is doing as well?

3 MR. ROBINSON: Yeah. Well, I -- Californians
4 Against Waste, they've been very complimentary about the
5 program. The Sierra Club, as you know, at the press
6 conference spoke out in support of it.

7 COMMITTEE MEMBER MULÉ: All right. Thank you.

8 MR. ROBINSON: Thank you.

9 CHAIRPERSON BROWN: Cheryl, did you --

10 BOARD MEMBER PEACE: I don't have any questions
11 on the Take-It-Back Program. I just had some questions on
12 this contract in general.

13 I just wanted -- after these PSAs are created,
14 will the Board have a chance -- I would like to have the
15 Board have a chance to see them or hear them.

16 MS. KUNISAKI: Absolutely.

17 BOARD MEMBER PEACE: And then also, how are we
18 going to evaluate the effectiveness of these
19 announcements?

20 CHAIRPERSON BROWN: We talked about at one point
21 some sort of an evaluation tool being part of the CBA.
22 Where did we go with that, Roberta? Remind me.

23 MS. KUNISAKI: We talked about having some sort
24 of a measurement piece after we get the final reports
25 back, kind of -- we would like to measure prior to the

1 PSAs being actually aired; and then after the campaign's
2 over, taking a look at the difference between prior to the
3 airing of and playing and then afterwards and seeing the
4 difference between the two timetables.

5 BOARD MEMBER PEACE: So that's not part of this
6 contract; that's something staff is going to do after?

7 MS. KUNISAKI: Well, the contractor wouldn't be
8 doing that part. We would look at it and evaluate it.

9 BOARD MEMBER PEACE: You'd be doing it --

10 MS. KUNISAKI: -- after the staff would.

11 BOARD MEMBER PEACE: Okay.

12 MS. KUNISAKI: If you so direct.

13 CHAIRPERSON BROWN: Well, we'd have to determine
14 what the criteria was, what we're evaluating, whether it's
15 increased recycling of these things at our HHW facilities
16 or, you know, how you evaluate public awareness. But we
17 as a staff thing had discussed it. But it is -- as Chris
18 is whispering -- it's expensive to do surveys. And it's
19 not part of the scope of work for this contract.

20 MS. KUNISAKI: That's correct.

21 BOARD MEMBER PEACE: Yeah, whether we do some
22 sort of informal surveys at a Home Depot asking people if
23 they come in, "Have you heard" -- I mean it seems like
24 there should be something before we would ever want to put
25 more money into doing this again.

1 MR. ROBINSON: I agree.

2 One of the things of the on-line registration,
3 we're going to ask at Take-It-Back Partners to let us
4 know, you know, increased foot traffic and how much
5 they're actually receiving. I mean we'll find out through
6 the documents when they actually recycle them. But we're
7 asking them to give us the information on a monthly or
8 quarterly basis, you know, the retail partners or anybody
9 who would sign up on-line.

10 CHAIRPERSON BROWN: And I'm not sure -- I think
11 that's good. I don't think that addresses Member Peace's
12 question about the effectiveness of this PSA. And maybe
13 we can discuss with staff between now and Tuesday, our
14 Board meeting, what kind of tools they would recommend.
15 Maybe we just do an HHW facility questionnaire and find
16 out if they're getting more people recycling and bringing
17 things back to certified collection centers and HHW
18 facilities as a result of our PSAs.

19 MS. KUNISAKI: And we could ask them to collect
20 that data for us. That would probably --

21 BOARD MEMBER PEACE: Right, so that -- could do a
22 survey there when people bring it back, "Well, how did you
23 know to bring it back? Did you see it in something that
24 came from your hauler? Did you hear it on the radio?"

25 CHAIRPERSON BROWN: Right.

1 MS. KUNISAKI: That's a great suggestion. We can
2 talk about that if you'd like.

3 CHAIRPERSON BROWN: Okay. Well, if you could, as
4 a Public Affairs Department, sort of brainstorm with a
5 couple of ideas for when we bring this up, during the
6 fiscal -- well, during a Board meeting, wherever it ends
7 up --

8 (Laughter.)

9 CHAIRPERSON BROWN: -- just share those with us.

10 MS. KUNISAKI: Be happy to.

11 COMMITTEE MEMBER PETERSEN: Madam Chair, I have
12 one question?

13 CHAIRPERSON BROWN: Do you have a question?

14 COMMITTEE MEMBER PETERSEN: Yeah.

15 CHAIRPERSON BROWN: Go ahead.

16 COMMITTEE MEMBER PETERSEN: Just a question on
17 the logo. How did we create that logo? Did that come out
18 of the Department or -- I mean the Take-It-Back logo.

19 CHAIRPERSON BROWN: The Take-It-Back logo?

20 MR. ROBINSON: Well, that was --

21 CHAIRPERSON BROWN: Did DTSC do that?

22 MR. ROBINSON: Well, that was I believe a
23 combination of DTSC and the Waste Board. I think that
24 California symbol is from the Waste Board. And then
25 just -- well, they played with different --

1 COMMITTEE MEMBER PETERSEN: Is this in keeping
2 with the direction John was going or looking towards on
3 branding and what we're kind of trying to do in
4 collectively -- is this -- we don't know. He's not here.

5 MS. KUNISAKI: Our graphics department did do the
6 work for DTSC. And I believe that it was the beginning of
7 our march to branding. I think there's still work to be
8 done.

9 COMMITTEE MEMBER PETERSEN: Right.

10 Okay. Thank you.

11 CHAIRPERSON BROWN: Thank you.

12 I have a couple of questions, Leonard. And I
13 think everybody probably recognizes that consumer
14 education is the most important part of this U-waste
15 program and that's why we're talking about this.

16 On your list of strategic partners or even
17 Take-It-Back partners, I know you were trying to be as
18 accommodating as possible for anybody who was willing to
19 come into the program. But have we developed a list of
20 criteria and obligations for Take-It-Back Partners? I
21 mean if PG&E, SMUD, and SCE come in, they don't sell
22 products, they don't recycle them. Have we made some sort
23 of criteria that they provide public outreach? I mean
24 they send bills out every month. They could provide
25 information to the public in their monthly bills on what

1 to do with your U-waste. Have we required these partners
2 to provide public outreach as part of their commitment to
3 this partnership?

4 MR. ROBINSON: Yes. That's one of the reasons
5 they're a strategic partner. Anybody who's a -- a
6 strategic partner is somebody who wants to get involved,
7 who's not directly taking it back, but can get the public
8 outreach. And, yes, that's the -- part of the dialogue.
9 I've got a list of things. And I said, this would be my
10 recommendation for SMUD, PG, and Edison. They're going to
11 come back with it. So, yes, that would be the criteria
12 for a partner, somebody who can do outreach and get into
13 the areas, especially the consumers and retail stores.

14 CHAIRPERSON BROWN: Can we get a list of what
15 those requirements are for partnerships?

16 MR. ROBINSON: Sure.

17 CHAIRPERSON BROWN: Because I think that -- I
18 mean I think the program is a great concept and it's easy
19 for people to understand. But we need to get something
20 and we need to make sure that if we're giving these people
21 the appearance of being a partner with the state, a
22 partnership runs two ways, and we have to get something in
23 return. And if they're not providing the public outreach
24 support, then they're really not an equal leg of the
25 stool.

1 MR. ROBINSON: Exactly.

2 CHAIRPERSON BROWN: So I think that we need to
3 have a list of the criteria and what it means to be a
4 Take-It-Back Partner and not, in my opinion, accommodate
5 everybody just to have a lot of names on the list, because
6 then there's no "there" there.

7 MR. ROBINSON: Yeah. That's why we made the
8 different partner and strategic partner. But, yes, we can
9 do that. I think that's an excellent idea for everybody
10 to know that.

11 CHAIRPERSON BROWN: And then my other question
12 is: Have we developed a timeline or a work plan in
13 getting these big box retailers to the table? Have we got
14 corporate meetings agendized or set up so that we actually
15 get at the corporate level? Because I think it's probably
16 more effective to go at the corporate level rather than
17 try an go locally. But I don't know if you have a time
18 line for when we have those meetings set up with big box
19 retailers, because that's probably a linchpin of this
20 contract, is what we tell people.

21 MR. ROBINSON: Exactly. Well, in March we
22 started the efforts. We sent the letters out to the
23 corporate people. And there won't be a meeting with the
24 corporate people because they've all referred us to either
25 the person -- a California-located person or somebody

1 who's in their environmental. So the meetings have --
2 right now I'm in active conversations with Wall Mart to
3 take -- and I've asked my staff -- I said, "Each one of
4 you take a big box. Let's court them, cajole them,
5 whatever we need to do to get them in the partnership."
6 As far as a timeline, those can be provided. But we're in
7 active dialogue with the big box stores. And I agree, if
8 we can get three or four big box stores, big chains, that
9 makes the PSAs a lot better, you know, make it flow a lot
10 better.

11 CHAIRPERSON BROWN: Well, I think if you've got a
12 big box, I think only one will get the other dominoes to
13 fall, because they will be publicized on a PSA to bring
14 your batteries to Lowe's and all of a sudden everybody
15 starts shopping at Lowe's and not Home Depot.

16 MR. ROBINSON: That's right. We're actively
17 pursuing five, hoping to get one of them. So the first
18 one that brings the box in wins.

19 CHAIRPERSON BROWN: Right. And that's
20 hypothetical. Lowe's hasn't committed and Home Depot
21 hasn't denied it. So just for public record, I just want
22 to make sure everybody knows, we're not providing outreach
23 or advertisement at this time.

24 MR. ROBINSON: Yeah, how about if I do this: Is
25 we do activities -- you know, this is the first time I've

1 really had a chance to talk to everybody -- I just give
2 you a monthly update or a weekly update of what we're
3 doing and then, more importantly, what we're thinking
4 about doing.

5 One thing I want to say about the staff, your
6 staff has been wonderful in working with us. Even when
7 we've been unreasonable, your staff has been absolutely
8 great. So I wanted to make sure that got on the record.

9 And, again, as we think about things, we -- you
10 know, we want to get the dialogue up and then get it up to
11 the appropriate level.

12 CHAIRPERSON BROWN: Okay. Thank you very much.

13 MR. ROBINSON: We want to make things transparent
14 as possible.

15 CHAIRPERSON BROWN: I'm sure the staff
16 appreciates your applaud, and so do we. And I've never
17 heard that you're difficult.

18 COMMITTEE MEMBER PETERSEN: May I, Madam Chair,
19 just one --

20 CHAIRPERSON BROWN: Sure.

21 COMMITTEE MEMBER PETERSEN: Have you contacted
22 anybody at Southern California Edison or DWP in the --

23 MR. ROBINSON: In contact with Southern
24 California Edison, the people that are --

25 COMMITTEE MEMBER PETERSEN: If you need some help

1 with that, I can help you with that. I'd be happy to.

2 COMMITTEE MEMBER PETERSEN: Okay. I'll see you
3 after the meeting.

4 COMMITTEE MEMBER PETERSEN: Okay.

5 CHAIRPERSON BROWN: Okay. I think we're -- we've
6 exhausted all of our questions.

7 COMMITTEE MEMBER MULÉ: I just have one more
8 question for -- I guess it's for our staff -- is: How
9 long will these run, like what period of time?

10 MS. KUNISAKI: We haven't set up the timeline yet
11 because we have to get this approved first. But --

12 COMMITTEE MEMBER MULÉ: But that \$50,000, does
13 that mean, you know, so many PSAs over a period of six
14 months, a year, two months?

15 MS. KUNISAKI: I don't have that information. I
16 don't have --

17 COMMITTEE MEMBER MULÉ: Okay. Could you get --

18 MS. KUNISAKI: -- how many. I just know it will
19 be two 30-second spots.

20 COMMITTEE MEMBER MULÉ: All right. I would like
21 to know how long the PSAs are going to run.

22 MS. KUNISAKI: The duration, you mean?

23 COMMITTEE MEMBER MULÉ: The duration, yes.

24 MS. KUNISAKI: Okay.

25 COMMITTEE MEMBER MULÉ: Thank you.

1 CHAIRPERSON BROWN: Thank you, Leonard. I
2 appreciate it. Appreciate your time. We're honored.

3 Can I have a motion?

4 COMMITTEE MEMBER MULÉ: Madam Chair, I'd like to
5 move Resolution -- approval of Resolution 2006-137.

6 COMMITTEE MEMBER PETERSEN: I'll second that.

7 CHAIRPERSON BROWN: It's been moved by Member
8 Mulé and seconded by Member Petersen.

9 Kristen, can you call the roll.

10 COMMITTEE SECRETARY GARNER: Mulé?

11 COMMITTEE MEMBER MULÉ: Aye.

12 COMMITTEE SECRETARY GARNER: Petersen?

13 COMMITTEE MEMBER PETERSEN: Aye.

14 COMMITTEE SECRETARY GARNER: Brown?

15 CHAIRPERSON BROWN: Aye.

16 And, Mr. Block, since we have a couple of
17 questions, can we put it on fiscal consent still since
18 there is --

19 ACTING CHIEF COUNSEL BLOCK: Yes, you could still
20 put it on fiscal consent since that would still involve a
21 presentation at the Board meeting. But it's an indication
22 that it's a more streamlined presentation.

23 CHAIRPERSON BROWN: Great. We'll put that on
24 fiscal consent then.

25 Thank you.

1 Okay. Now, we'll go back to Committee Item B.

2 DEPUTY DIRECTOR LEE: Thank you, Madam Chair.

3 Committee Item B, Board Item 14, is consideration
4 of grant awards for the Targeted Rubberized Asphalt
5 Concrete Incentive Grant Program.

6 By this time you're all familiar with the monthly
7 review and approval process for this grant program. I'm
8 pleased to report that we have several additional projects
9 to bring to your attention this morning.

10 I'm going to ask Nate Gauff to fill you in on
11 specifics and make the remainder of the staff
12 presentation.

13 MR. GAUFF: Good morning, Madam Chair and
14 Committee members. I'm Nate Gauff with the Special Waste
15 Division.

16 This is the first award -- proposed award for the
17 Targeted RAC Program for 2006-7. We received four
18 eligible applicants, for a total of 625,000. And the
19 applicants are:

20 The City of San Joaquin, funding recommendation
21 175,000; City of Garden Grove, funding recommendation
22 150,000; City of Monrovia, recommended 150,000; and the
23 Orange County Transportation Authority, also for 150,000.

24 Are there any questions?

25 CHAIRPERSON BROWN: Thank you, Nate.

1 Any questions?

2 COMMITTEE MEMBER MULÉ: No, Madam Chair?

3 CHAIRPERSON BROWN: No?

4 Can I have a motion from the resolution?

5 COMMITTEE MEMBER MULÉ: Madam Chair, I'd like to

6 move Resolution 2006-120 revised.

7 COMMITTEE MEMBER PETERSEN: I'll second that.

8 CHAIRPERSON BROWN: It's been moved by Member

9 Mulé and seconded by Member Petersen.

10 Kristen, can you call the roll.

11 COMMITTEE SECRETARY GARNER: Mulé?

12 COMMITTEE MEMBER MULÉ: Aye.

13 COMMITTEE SECRETARY GARNER: Petersen?

14 COMMITTEE MEMBER PETERSEN: Aye.

15 COMMITTEE SECRETARY GARNER: Brown?

16 CHAIRPERSON BROWN: Aye.

17 And without consent, we'll move that to the

18 fiscal consent calendar.

19 And move to Agenda Item C, Board Item 15.

20 DEPUTY DIRECTOR LEE: Thank you, Madam Chair.

21 Committee Item C --

22 CHAIRPERSON BROWN: Wait a minute.

23 Mike, it went so quickly. I apologize. We have

24 a speaker on the last item.

25 Can we entertain that, Elliot?

1 ACTING CHIEF COUNSEL BLOCK: Yes.

2 CHAIRPERSON BROWN: Thank you.

3 Mr. Blumenthal please.

4 CHAIRPERSON BROWN: I was thinking you were
5 speaking on the next one. I apologize.

6 MR. BLUMENTHAL: I am speaking on the next one.
7 But I had both of them.

8 (Laughter.)

9 MR. BLUMENTHAL: I didn't mean to shake --

10 CHAIRPERSON BROWN: You can just fill out one
11 form and just put B, C, D if you want.

12 Go ahead.

13 MR. BLUMENTHAL: Next time I will do that. Thank
14 you for the instructions.

15 Thank you, Madam Chair. My name is Michael
16 Blumenthal. I represent the Rubber Manufacturers
17 Association. We are the trade group that represents seven
18 U.S.-based tire manufacturers, soon to be eight U.S.-based
19 tire manufacturers. We're getting a new member pretty
20 soon.

21 I am not opposed -- we are not opposed to the use
22 of rubber asphalt concrete. We are indeed strong
23 supporters of rubber-modified asphalt concrete.

24 The question becomes: What happens if tomorrow
25 all grants went away, there were no more grants out there?

1 Talking to the people in the state and in the industry and
2 in the staff here, probably 80 percent of all the current
3 RAC users would continue to use RAC. And there's no
4 reason why they shouldn't. It's an excellent material.
5 It adds a lot of good characteristics and properties to
6 the asphalt. It does serve a good purpose.

7 The question that we have is: What happens if
8 the grants do go away? What is this agency and, likewise,
9 what is the industry getting back from all of these
10 grants? And right now the answer is nothing.

11 What we are looking for are metrics. You're
12 giving out these grants. That's fine. It's helping the
13 market. Okay. But there's no sustainability. Our
14 concern is what happens in the future? Will this be a
15 self-sustaining viable market? And there is some question
16 there.

17 I work the entire country. Things that I hear
18 around the nation is like this: "Oh, yeah, RAC works. It
19 works on the West Coast because they subsidize the use of
20 it. It's not economically viable on its own." That's a
21 hard argument for me to counter when you consider all of
22 the grant programs that this state has for RAC. I have to
23 go back and show them other examples of where it is not
24 subsidized. But since California is the biggest user of
25 RAC -- I believe that that's correct -- it's a hard

1 argument to counter. And it's something that you may not
2 be aware of, but we certainly have to deal with it just
3 about every day that we are out there.

4 We believe that the RAC grant should be focused
5 on first-time users, getting them over the hump, show them
6 that it's not that much more expensive, that it can be
7 done. There is ample experience. No state has more
8 experience and more technical material written on RAC than
9 the State of California, period. Even more than Arizona.
10 But it's not out there, and we haven't seen it, and it's
11 hard to find, and people tend to ignore this.

12 What we are suggesting is get some metrics out
13 there. Find out -- get back from the people that use it
14 certain things that can help the industry be more
15 self-sustaining. How much road noise reduction is there
16 when you use RAC? We know that RAC will reduce road
17 noise. As a matter of fact, the Federal Highway
18 Administration currently has a program on road noise
19 abatement, and RAC is one of the tools in the tool kit
20 that can reduce road noise. How much road noise reduction
21 is there?

22 How much of an extended life does that road get?
23 How long can you postpone any major reconstruction to the
24 road by using a one-inch overlay or a two-inch overlay?

25 How much reduction in cracking does this material

1 supply? We know that it does stop cracking in roads.

2 And how much of a reduction in rain splash does
3 this achieve? The way that you can monitor this is: Do
4 you see a reduction in accidents when it rains? It does
5 rain in California. We are aware of this.

6 Get some metrics so that you can point this out.
7 So that we can go back into the marketplace and to other
8 states and say there are many, many benefits to this.
9 Here's California, a state that uses it the most. Here is
10 hard data. The only way to get it is from the end users.
11 If you're going to be giving them money, get something
12 back that the industry can use to make this a
13 self-sustaining marketplace.

14 CHAIRPERSON BROWN: Thank you, Mike.

15 Nate or Jim, do you -- either one of you want to
16 respond to what information we do get from our end users?

17 DEPUTY DIRECTOR LEE: I do have a couple
18 comments. And then I'd maybe like to ask Nate to kind of
19 discuss some of the more specifics.

20 But I think, you know, the Board staff is on
21 record as supporting, you know, reduced subsidies, you
22 know, for these programs. Indeed I think in Mr.
23 Blumenthal's remarks he mentioned that he perhaps, you
24 know, supported the idea of the targeted outreach which
25 indeed is the -- the main purpose of this, to get at the

1 first-time users.

2 You know, we're aware that other states,
3 particularly Arizona, you know, are -- you know, have been
4 much successful than California in implementing the
5 program. But we would certainly like to move to their
6 example. And we, as we have always done, encourage Mr.
7 Blumenthal's active involvement in our five-year planning
8 process, which will be commencing again in the next few
9 months, so that we can, you know, better perhaps shape
10 this program, you know, to his needs and desires.

11 But I think -- Nate I know has been working on
12 this and looking at some of these metric issues and on the
13 evaluation components.

14 Maybe, Nate you could speak to that a little bit.

15 MR. GAUFF: In relation to the grant projects,
16 you know, these are all local government agencies.
17 Typically they don't -- in my experience, they don't
18 measure a lot of these parameters. It's more anecdotal,
19 you know, it's more empirical. People drive over and they
20 notice it's quieter. Now, there have been a few studies
21 done -- I know Sacramento County did a study on noise
22 reduction. They were one of the few local government
23 agencies that has actually went out above and beyond. And
24 that was not part of a grant program. That was just
25 something they did on their own.

1 As far as the increased life span, once again, a
2 lot of these agencies don't even have good pavement
3 management program or any pavement management program. I
4 think what we've seen in a lot of the information that's
5 out there, you know, a lot of it's been done by CalTrans.
6 And unfortunately I can't speak to why people cannot find
7 CalTrans specs or CalTrans reports, you know -- I don't --
8 can't speak to that.

9 But most of the work that's been done as far as
10 the types of parameters that Michael mentioned, those have
11 been done at the state level through CalTrans and through
12 the state DOTs. Most local government agencies aren't
13 really equipped to provide the funding and certainly don't
14 have the staff or the expertise to do that. I mean they
15 contract it out. But a lot of them don't have the funding
16 to go above and beyond, or very few of them have the
17 expertise and funding to go above and beyond to do these
18 types of measures.

19 So I think what we see is most of the data, if
20 you want to call it that, is empirical, you know, and in a
21 sense passed down from generation to generation within a
22 local government, and it says, "Yeah, we use RAC because
23 we've seen improvement in our loads, we've seen the noise
24 reduction, we've seen the reduction in cracking," and that
25 type of thing. And so they've bought in and they've used

1 it. I mean you don't have to tell Thousand Oaks or
2 Sacramento County or agencies like that that you use it
3 regularly. They know these things are there.

4 CHAIRPERSON BROWN: Well, then maybe you can
5 speak to as part of your outreach with the Ogilvie
6 contract what you're finding when you actually go -- I
7 mean is that helping in some of the information that we do
8 have available? Because there is some -- obviously we
9 have it with CalTrans, there's other states who have
10 information that we can provide. Is that being utilized
11 as part of your outreach with the Ogilvie contract?

12 TIRE MANAGEMENT BRANCH MANAGER DELMAGE: Madam
13 Chair, Mitch Delmage, Manager of the Tire Program.

14 We have several things that are going on that I
15 think will address Mr. Blumenthal's concern. As you
16 mentioned, the Ogilvie contract, we're making a lot of
17 good relationships and contacts at the local levels so we
18 can start gathering this information that they may have
19 collected.

20 But beyond that and be -- to more directly gather
21 data, we have a good opportunity in September when we
22 bring forward criteria for distribution of these new grant
23 funds that have become available during the budget. So
24 that we can indeed earmark a portion of that fund for the
25 local government to do the testing that we would like to

1 see. And we can incorporate that into that particular
2 grant program as we develop it.

3 CHAIRPERSON BROWN: Okay. That's a good idea.
4 And maybe we go to an impartial source to do an
5 independent study.

6 TIRE MANAGEMENT BRANCH MANAGER DELMAGE: That's
7 correct.

8 MR. GAUFF: Just to follow up on your question
9 about the Ogilvie outreach. I've only been on one visit
10 so far and that was with the City of Santee. And we have
11 a couple scheduled actually for tomorrow. But we did
12 share some of this information with the mayor and with the
13 public works folks in Santee around the noise reduction,
14 about the Sacramento County study, and about some of the
15 CalTrans issues -- or CalTrans specifications and that
16 type of thing. So we did share that with them, and we
17 will continue to do so, because that's about the best
18 information that's available at this point.

19 DEPUTY DIRECTOR LEE: And, Madam Chair, one other
20 thing I think with regards to a metric for the particular
21 program, you know, I think it's, you know, our feeling
22 that the best thing that we can do is to get these RAC
23 projects in as many communities in California as we can.
24 We believe the product speaks for itself once people are
25 exposed to it. I think there's -- you know, we can

1 present them with all the facts and statistics and who
2 else uses it, but they want to kind of see it for
3 themselves. And that's why we're confident that once they
4 have that exposure, which we think will help to be
5 provided -- which we think this targeted RAC program in
6 particular will help provide, we'll start building up
7 again that word-of-mouth advertising that's a lot more
8 desirable than any kind of statistics we're going to be
9 able to throw at somebody.

10 CHAIRPERSON BROWN: Thank you.

11 Mr. Blumenthal.

12 MR. BLUMENTHAL: One of the things I would
13 suggest is, since there have been so many different
14 projects out here under so many different conditions,
15 different road traffic, different materials, different
16 geographic areas, I think it might be beneficial if there
17 was some collection of all this data, and looking at the
18 roads and the rehabilitation, put that into a report of
19 some sort, make this available. Because I know that it
20 will answer a lot of the questions that are out there. I
21 know that RAC is used in the mountains and in where it
22 snows. So it's not just a warm weather material. It's
23 used in highway applications. It's used in a wide range
24 of applications.

25 What we are looking for -- we, the industry, can

1 go out there and say all these things. But, you know,
2 we're industry and we represent it, so it's looked upon a
3 little bit suspect because we're trying to sell the
4 product that we're responsible for.

5 If a state comes out with that same kind of
6 information, it's a lot more credible and it has a lot
7 more meaning, and it's a lot more useful in the
8 marketplace. So these are the kind of things that we are
9 looking for. Certainly California has the resources and
10 has the experience and this is what we would certainly ask
11 for.

12 With that, I thank you for your time and
13 attention.

14 CHAIRPERSON BROWN: Thank you. We actually have
15 a question.

16 Do you have --

17 COMMITTEE MEMBER PETERSEN: Thank you, Madam
18 Chair.

19 Michael, don't go away.

20 Mitch, I like that idea included in the grants.
21 I think it's a great idea.

22 And I'm with you, Michael. Sales tools to the
23 different -- now, where are we in recovery of tires in the
24 state now? What, 75 percent, somewhere in there? We've
25 got 25 percent to go.

1 And I have a question.

2 In the old days when we did the SB 650 program
3 for recycling they gave grants to all of us local
4 recyclers to do our programs and expand them, expand them,
5 expand -- and that kicked it off in the State of
6 California. Do you think -- and I think that maybe that
7 the grants -- there is a point where the grants -- you
8 know, we got to -- this industry's got to stand on its own
9 two feet like we did in the recycling world. That point
10 is not yet, is that true, Michael? Because we've still
11 got that 25 percent we got to go after. And to stimulate
12 that, the grants are very helpful, correct?

13 MR. BLUMENTHAL: You know, I think grants can be
14 used as to create more tools. And I was going to talk
15 about that in the next set of comments when I talk about
16 products. But, understand, things have changed over time.
17 Today, there are a lot more products out there. There's a
18 lot more competition in the marketplace. And what we're
19 finding now is because rubber-derived products are so
20 successful, that they're eating someone else's lunch and
21 we're starting to get a lot of push-back from the other
22 industries. Now, I can talk about it now, I can talk
23 about it at the next item. But that's what I had planned
24 on talking about.

25 We're starting to get a lot more of these

1 innuendos about tire-derived products, about the property
2 of the rubber itself and the products themselves. And
3 certainly the marketplace could use some grants in certain
4 places. But I have found the number one problem we're
5 facing now are all these urban myths about all these
6 rubber-derived products, whether it's asphalt or rubber
7 sidewalk -- let me give you an example.

8 COMMITTEE MEMBER PETERSEN: Okay.

9 MR. BLUMENTHAL: Last week -- either -- last week
10 a company here in California that makes rubber sidewalks
11 installed rubber sidewalks in Washington DC. And it was
12 covered by the press. And it was good press coverage,
13 because it solved a lot of the problems in Washington DC.
14 If you ever walked on some of the pavement in sidewalks in
15 DC, it leaves a lot to be desired in certain places. It's
16 a good product. It solved a number of problems. It got
17 very good press coverage.

18 The next day our phone rang off the hook: "What
19 about the environmental problems?" "What about the latex?
20 My child is latex sensitive." And then we have to -- now
21 we have to spend time getting this -- you know, we have
22 information on latex. We did a large study on latex with
23 this whole thing on latex allergies and the -- in the
24 medical field. And gloves came up.

25 A lot of information out there. The latex in

1 gloves and latex in rubber -- in tires are two really
2 separate things. But these are the kind of things that
3 come up. Because it's a new product, there's a lot more
4 questions to --

5 COMMITTEE MEMBER PETERSEN: Well, and its recycle
6 content. And it's a whole new marketplace with supply.

7 MR. BLUMENTHAL: And those that --

8 COMMITTEE MEMBER PETERSEN: So maybe this is
9 what -- what we're talking about is the educational
10 component or the support of the industry by our Board and
11 what we're doing with our program as an education
12 component. Because a push-back is going to come anyway.
13 So we just have to push -- it's the same old story.

14 MR. BLUMENTHAL: What I was going to suggest in
15 the next -- for the next Board item -- next agenda item
16 was to coordinate the different programs that you have.
17 Because you have something from OEHHA on some issues,
18 you're doing the Business Assistance Program. And
19 ultimately they're going to find out that everybody's
20 problem is they need more markets and they all face the
21 same obstacles in the marketplace. Answering the
22 questions, reducing the obstacles, putting the information
23 out there that people can look at.

24 I'll give you this week's problem. In the
25 marketplace rubber and sand is used in synthetic -- in

1 artificial turf. And it's a really fast growing market.
2 It doesn't need any grants, any subsidies. The market is
3 going great guns, not just here but around the world.

4 Okay. It's going so well that now there are
5 questions about it. Well, do you know there are PAH's,
6 polynuclear aromatic hydrocarbons in tires. So a
7 professional football team in Italy wants to take out
8 their artificial surface using sand and rubber because
9 they're concerned about PAH exposure if a football player
10 falls -- or what we call a soccer player falls down on the
11 stuff and gets exposed to the rubber, will they get skin
12 cancer from this?

13 Well, there's -- I didn't say it was real. I
14 said this is what we have to deal with.

15 So, you know, who knows what a PAH is? I mean I
16 know what a PAH is. There are some people that do. But
17 people hear and they go, "Oh, my God." And it will -- it
18 absolutely threatens a viable marketplace. And it
19 threatens California industries as well. These are the
20 kind of things I think that are necessary to come out from
21 this kind of grant program that can be coordinated with
22 all the different programs that you have here, as well as
23 coordinated with the EPA RCC program on rubber products.

24 You have the tools. You certainly have all the
25 programs. What I was going to suggest was coordinate

1 these things, make sure that they're all focused on the
2 bottom line -- on the prize, which is reducing the
3 obstacles so that these markets can increase on their own.
4 As the market demand increases, you'll find tires being
5 pulled out of the landfill because the tip fees can go
6 down because the back-end markets are so much stronger.
7 That's the way to decrease the number of tires that go
8 into landfills.

9 COMMITTEE MEMBER PETERSEN: Thank you, Michael.

10 CHAIRPERSON BROWN: Thank you.

11 Rosalie, you have a question for staff?

12 COMMITTEE MEMBER MULÉ: Just a quick one here,
13 staff.

14 I know that there's information around the state
15 about these metrics that Michael was alluding to. I mean,
16 for example, L.A. County, Eric, I'm sure they have those
17 metrics.

18 And what about the RAC tech centers? Didn't they
19 ever compile that information for us?

20 MR. GAUFF: Like I said, some of it is available
21 in different areas. One of the things that we're doing
22 right now with MACTEC is that we are pulling a lot of this
23 together --

24 COMMITTEE MEMBER MULÉ: Okay. So we are in the
25 process of doing that?

1 MR. GAUFF: Yes.

2 COMMITTEE MEMBER MULÉ: Okay. That's what we
3 need to know.

4 MR. GAUFF: And we're also looking into establish
5 a web-based training system.

6 COMMITTEE MEMBER MULÉ: Excellent. Good. Good
7 work.

8 Thank you.

9 CHAIRPERSON BROWN: Thank you.

10 Okay. Now, we'll move to Committee Item C,
11 Agenda Item 15.

12 DEPUTY DIRECTOR LEE: Thank you, Madam Chair.

13 Committee Item C, Board Item 15, is consideration
14 of Applicant Eligibility, Project Eligibility and
15 Evaluation Process for the Tire-Derived Product Grant.

16 This will be the second year for the Tire-derived
17 Grant Program, the successor to the Playground and Track
18 Grant Programs from previous years. It features a
19 simplified application and review process. And by the
20 specification of a cap on the maximum amount of grant
21 subsidy per tire utilized in the product, it is by design
22 very cost effective.

23 In years past in the now superseded tire and
24 playground grant programs, we had instances of projects
25 being funded at upwards of a hundred dollars per tire

1 utilized. Last year's tire-derived grant program
2 specified a cap of \$10 per tire utilized. And the
3 proposal you have before you today is for a \$7 cap.
4 There's been some discussion about specifying an even
5 lower cap of \$5.

6 My staff has addressed some of these questions,
7 you know, involved with a lower cap in a memo which we've
8 distributed to the Board and which we've made available at
9 the back of the room. We are prepared to address any
10 additional questions you may have this morning.

11 With that, I'll now ask Michelle Martin to make
12 the remainder of the staff presentation.

13 MS. MARTIN: Thank you, Jim.

14 Good morning, Madam Chair and Committee members.
15 I'm Michelle Martin with the Product Promotion and
16 Assistance Section.

17 This presentation is for Committee Item C,
18 consideration of applicant eligibility, project
19 eligibility and evaluation process for the Fiscal Year
20 2006-2007 Tire-Derived Product Grant Program.

21 (Thereupon an overhead presentation was
22 Presented as follows.)

23 MS. MARTIN: The purpose of this grant program is
24 to promote markets for recycled content products derived
25 from waste tires generated in California and to decrease

1 the adverse environmental impacts created by unlawful
2 disposal and stockpiling of waste tires.

3 The TDP Grant Program is included in the Board's
4 approved document five-year plan for the Waste Tire
5 Recycling Management Program, Third Edition, covering
6 Fiscal Years 2005-2006 through 2009-2010.

7 --o0o--

8 Each year as part of the five-year plan
9 performance measures we send out customer satisfaction
10 surveys to our grantees. This year, however, we contacted
11 all of our past grantees to find out if they are
12 purchasing products on their own and how well the product
13 is performing. And here are the results:

14 --o0o--

15 MS. MARTIN: We asked if they had purchased
16 tire-derived products on their own not using Board funds.
17 Forty-five percent said they have purchased products on
18 their own. Of the 55 that didn't purchase products on
19 their own, 70 percent said they would purchase
20 tire-derived products in the near future.

21 In addition, 77 percent said they were very
22 satisfied with the product, and 22 percent said they were
23 satisfied.

24 And a couple comments from those that were
25 surveyed said it's an outstanding program and are pleased

1 with the Waste Board and the product overall.

2 And another comment was they are very happy with
3 the product and it was a great opportunity for their
4 organization.

5 Now, back to the grant program eligibility.

6 --o0o--

7 MS. MARTIN: The TDP Grant Program provides
8 grants to local government entities for projects
9 purchasing tire-derived products, for product such as
10 sport surfacing, sidewalks, weed abatement covers, mulch,
11 sound barriers and traffic safety products. Only one
12 application per qualifying public entity will be accepted
13 and an application may include multiple tire-derived
14 products for projects.

15 Applicants must meet all of the eligibility
16 requirements, have an eligible project, and divert a
17 minimum of 2500 California waste tires.

18 The maximum dollar of grant reimbursement per
19 tire-derived -- per tire diverted is currently proposed at
20 \$7, a change from \$10 last fiscal year.

21 --o0o--

22 MS. MARTIN: Furthermore, tire backings are still
23 excluded from eligible projects in this grant program.

24 --o0o--

25 MS. MARTIN: An applicant must certify compliance

1 with principles of environmental justice, provide a
2 current approved resolution, provide an acknowledgement
3 under penalty of perjury that an applicant has a recycled
4 content purchasing policy or directive, and also certify
5 that 100 percent California waste tires will be used in
6 the project. Product manufacturers and suppliers must
7 complete the tire-derived product certification form
8 CIWMB-227.

9 --o0o--

10 MS. MARTIN: The proposed evaluation process for
11 the TDP Grant Program is as follows:

12 The Grants Administration Unit will perform an
13 initial data entry and completeness review for each
14 application during and after the close of the application
15 period. After the close of the application period, staff
16 will review the grant applications and determine whether
17 an applicant or project are eligible. Consideration of
18 grant funds will be based on the calculations provided on
19 the TDP certification form and application cover sheet.
20 And the calculation is as follows: Number of tires
21 diverted times the cost per passenger tire equivalent
22 equals the grant amount.

23 --o0o--

24 MS. MARTIN: If more grant funds are requested
25 than available, a random selection process will be

1 conducted. The process will be publicly noted and the
2 public will be invited to attend. Each application will
3 be assigned a number in the order which they were received
4 by the Board, which will be used to represent the
5 application during the random selection process.

6 Random numbers will be drawn for each application
7 during the random selection process. This number will
8 determine funding order.

9 Once each application is assigned a funding
10 number, the list will be sorted by funding number and
11 awards will be made on the funding numbers and geographic
12 sort in descending order until funds are exhausted.

13 The Board will allocate grant funds by rank
14 order, and funding will be geographically split as
15 follows: Sixty-one percent to applicants located in
16 southern California and 39 percent to applicants located
17 in northern California.

18 --o0o--

19 MS. MARTIN: The five-year plan allocates 2.4
20 million to the Fiscal Year 2006-2007 TDP Grant Program.
21 And staff proposes that the funding for the grant program
22 not to exceed a hundred thousand for each eligible
23 applicant.

24 Staff is proposing to present the award item at
25 the Board's November 14th, 2006, Board meeting.

1 Staff recommends the Board approve the proposed
2 applicant eligibility, project eligibility and evaluation
3 process and adopt Resolution 2006-121 for the Fiscal year
4 2006-2007 Tire Derived Grant Program.

5 That concludes my presentation. Do you guys have
6 any questions?

7 CHAIRPERSON BROWN: Thank you, Michelle.

8 We have one speaker on this item.

9 Did you have, Mr. Blumenthal?

10 MR. BLUMENTHAL: Thank you, Madam Chair. My
11 name's Michael Blumenthal. I represent the Rubber
12 Manufacturers Association.

13 My comments here are along the same lines as the
14 earlier one. We're not opposed to the grant program per
15 se. And we're very pleased to hear and see that the
16 recipients are indeed purchasing the products on their
17 own. That clearly is the idea behind the grants, get it
18 out there.

19 A couple of ideas to tweak things. If they got
20 grants in the past, perhaps they should -- you know,
21 others should be looked upon first as potential
22 recipients. I think there should be some posted -- a sign
23 out there that says, you know, whatever it is they're --
24 made from a hundred percent recycled California tires,
25 received for a grant from the CIWMB. Then credit should

1 be where credit is due.

2 We also believe that this program needs to go to
3 the next level. And that next level is making sure that
4 once these products are out there and people begin to buy
5 them, what are the push-back issues that arise, the
6 questions about latex, about what volatile organics may or
7 may not come off the tires, about the flammability of
8 material, about the ingestibility of the material, all
9 these things that will hopefully address some of the
10 current questions and anticipate any future questions that
11 may come out there. Because this is a new product,
12 because it is recycled material, because it is the tire
13 and it seems to engender all kinds of questions and
14 concerns, these kinds of reports and this kind of
15 information is the next step up, so that the public can
16 buy the stuff and use the stuff with enough confidence
17 that it's not going to turn their yard black or that it's
18 not going to leach zinc and heavy metals in to the soil,
19 so that you don't get these kind of concerns. So that you
20 can remove the obstacles that are impeding these markets.

21 Because it is a new market, these questions are
22 fairly reasonable. But the information to address them
23 needs to come from an independent source.

24 Once again, we have a lot of this information on
25 our website, and we've taken this information from

1 different sources, a lot of the federal materials, stuff
2 from different states. But we're industry. And, once
3 again, we're looked upon as suspect, we're trying to push
4 these products. Needs to come from an independent source.
5 We'd be glad to share our material, leverage what we have
6 in to what -- into the programs, sort of being done here.
7 And also to remind the Board that you have a number of
8 ongoing projects that are already doing all these things.
9 I think coordinating these things and focusing it so you
10 get the best results I think is in everybody's interest.

11 And those really are all my comments today.
12 Thank you.

13 CHAIRPERSON BROWN: Thank you.

14 Any of you answer the question that Mr.
15 Blumenthal raised about creating a ranking for projects
16 that have not previously received grants? Has that been
17 considered by staff, so we start to grow the marketplace?

18 TIRE MANAGEMENT BRANCH MANAGER DELMAGE: Yes.
19 Mitch Delmage again, Manager of the Tire Program.

20 We have had those discussions. And we're
21 prepared, if the Committee would like to instruct us, to
22 include the language under "Applicant Eligibility," if an
23 organization has received a grant for this program within
24 the past two years, they're not eligible to apply.

25 CHAIRPERSON BROWN: Well, I wouldn't

1 necessarily -- I mean personally I wouldn't say they're
2 not eligible, just that as you look through how you rank
3 them, and rather than a random selection process, maybe
4 those people who haven't received grants go in the first
5 selection process and any other expended funds go to
6 anybody else. I mean I know it's a process to fill them
7 out -- the applications out altogether. But I don't want
8 to eliminate anybody. Just because we were way
9 oversubscribed last year doesn't mean that this year we'll
10 be way over subscribed. But I think it gives some sort of
11 rank priority to somebody who has not applied before to be
12 first in line.

13 TIRE MANAGEMENT BRANCH MANAGER DELMAGE: We could
14 set it up in a two-tiered system.

15 CHAIRPERSON BROWN: Okay. And then the other
16 question I have is staff's feedback -- well, so we can
17 start a dialogue here. If we were oversubscribed last
18 year at \$10, we've lowered the fee to 7, and the
19 discussion is: Is 7 an appropriate place to stay this
20 year, do we go to 5? Are we sinking a ship before the
21 ship is seaworthy?

22 Go ahead, Gary.

23 COMMITTEE MEMBER PETERSEN: Yeah, I'm -- well,
24 Jim, why don't you respond to that. Then I have some --

25 DEPUTY DIRECTOR LEE: Well, just to kind of

1 highlight some of the points we raised in the memo. The
2 cap last year was \$10. However, the actual average cost,
3 you know, for the -- you know, of grant subsidy per tire
4 utilized was 7.50. So, you know, that's not a very big --
5 the average cost is not a very big departure from the cap
6 we're talking about imposing, you know, this time. So,
7 you know, that's one way of looking at it.

8 I would think -- you know, clearly this is going
9 to continue to put downward pressure on the market with
10 regards to, you know, forcing more -- it's going to force
11 the market to become more cost effective. I think they're
12 going to -- you know, the potential users are going to
13 have to deal with their suppliers more critically. I
14 think the suppliers are going to have to take a hard look
15 at, you know, the cost for the program.

16 You know, I don't think that the \$7 is going to
17 result in that big a change from what we really
18 experienced last year. If you're thinking about trying to
19 push it further, I think the two-tiered approach provides
20 the Board with some flexibility. You know, if -- you
21 know, a number of projects, I think a million and a half
22 dollars worth of projects actually came in \$5 or lower
23 last year.

24 COMMITTEE MEMBER PETERSEN: All right. Okay.

25 DEPUTY DIRECTOR LEE: Now, given that we got we

1 got 2.4 that the Board has allocated for this program, you
2 know, one argument would suggest, well, maybe that's going
3 to leave us a little bit undersubscribed. Well, you
4 can -- like I say, if you have that second tier, you know,
5 for a consideration for projects between 5 and 8 --

6 COMMITTEE MEMBER PETERSEN: Good idea.

7 DEPUTY DIRECTOR LEE: -- or 5 and 7 in the event
8 that we don't, you know, get it in the first threshold, we
9 can kick up some additional ones in the second.

10 I think -- my overall impression is we're
11 continuing to test what the market will bear. You know, I
12 think we're very sensitivity to the issues that Mr.
13 Blumenthal has raised, you know, about trying to make all
14 of our programs cost effective. But I think this is just
15 the most recent example. We certainly I think at some
16 point want to wean the market off of any type of grant
17 subsidy. And I think that is basically -- you know, if
18 you look at the trend, from a hundred dollars down to 7,
19 we're clearly on that path.

20 So, again, I think the two-tier approach would
21 allow the Board some flexibility in this area.

22 COMMITTEE MEMBER PETERSEN: It's a great idea.

23 And, Michael, it reflects back where they're
24 going with reducing the grants and starting to get -- let
25 the industry take over and go.

1 Okay. Sounds like a good idea.

2 I just have one -- can I --

3 CHAIRPERSON BROWN: Go ahead.

4 COMMITTEE MEMBER PETERSEN: Okay. I'm back to
5 the PIA on this one thing because of competition within
6 the marketplace. And we're going to give these grants --
7 we're going to continue with these grants. But let's say
8 that there's a run on the supply of rubber available to
9 create products. And we are now in the point where some
10 of this material has to come from out of state and we're
11 subsidizing like the PIA on their program with -- they're
12 in the program as well. Is there a problem or do you see
13 anything --

14 TIRE MANAGEMENT BRANCH MANAGER DELMAGE: First
15 let me ask --

16 COMMITTEE MEMBER PETERSEN: Am I making sense
17 here?

18 TIRE MANAGEMENT BRANCH MANAGER DELMAGE: -- what
19 you mean by subsidizing PIA.

20 COMMITTEE MEMBER PETERSEN: Oh, I'm sorry. Then
21 I'm not making sense. Okay.

22 Let's try this. If the Prison Industry Authority
23 moves forward with their proposal project, are there
24 implications from the program? And would the PIA produce
25 products would be fundable -- would they be fundable?

1 MR. BLUMENTHAL: Well, I'm not going to address
2 the PI issue. But I think I want to talk about your
3 concern will there be enough California-generated ground
4 rubber --

5 COMMITTEE MEMBER PETERSEN: Yes, that's it.

6 MR. BLUMENTHAL: -- if all of a sudden there's a
7 run on products.

8 COMMITTEE MEMBER PETERSEN: Thank you, Michael.

9 MR. BLUMENTHAL: You should have such a headache,
10 that you don't have enough rubber.

11 COMMITTEE MEMBER PETERSEN: Oh, I want this
12 headache.

13 MR. BLUMENTHAL: You should. It's a wonderful
14 headache to have.

15 (Laughter.)

16 MR. BLUMENTHAL: There are two possible ways to
17 look at this. One is you could bring in some ground
18 rubber from other markets. But right now what our market
19 survey -- and we're almost done with the 2006 market
20 study -- there is a nice equilibrium between supply and
21 demand of rubber. And there isn't that much excess ground
22 rubber on the West Coast. Most of the excess ground
23 rubber is in Florida, Pennsylvania area. So I don't see a
24 lot of ground rubber coming in to California from other
25 states. Will there be some? That's a distinct

1 possibility.

2 I think the more likely scenario would be that if
3 there is a run on ground rubber and these ground rubber
4 suppliers see that they're going to have demand six months
5 out, a year out, chances are what the likely scenarios
6 would look like is that they would start to drop their tip
7 fees to attract more tires. They would go to the
8 suppliers of whole -- of whole tires to tire-derived fuel
9 and work out an arrangement with them. I think you may
10 see an impact on the TDF supply, because the way the
11 market works is if you are a cement kiln and take in a
12 whole tire, you're getting 5, 10, 15 cents per tire;
13 there's a better return on investment if I as a processor
14 can get that whole tire, especially a truck tire, and make
15 ground rubber out of it. So I might be interested -- I
16 may be willing to work with some of the TDF -- or the
17 whole tire suppliers and work out an arrangement where I
18 get those tires.

19 So you may be drawing some tires from the whole
20 tire marketplace. You may be pulling some tires from
21 civil engineering. You may be pulling some tires from
22 those that go into landfills. Not the ones coming from
23 out of state, but the in-state tires, because it's all a
24 question of economics. If I can drop my price low enough
25 to attract the supply that I want, it's going to pull from

1 TDF, civil engineering and landfill, pretty much in that
2 order. So I -- will you get some from out of state?
3 Distinctly possible. But I think because you have such a
4 tight control on the marketplace here, I think that will
5 be your first shift.

6 COMMITTEE MEMBER PETERSEN: Okay. Thank you,
7 Michael.

8 That's all.

9 CHAIRPERSON BROWN: Thank you.
10 Cheryl.

11 BOARD MEMBER PEACE: That was a good point to
12 make. Because I have -- there was a manufacturer of these
13 rubber turf fields that I ran into a few weeks ago who was
14 saying, "I can't get the material. We can't get it." And
15 so I don't know if that means he just can't get it at the
16 price he wants or if he just can't get it. And at some
17 point do they start taking, you know, crumb rubber from
18 other states if they can't get it here?

19 MR. BLUMENTHAL: Chances are -- well,
20 that's -- the question that you raise is very good. What
21 is their tip fee? I can't answer that. I don't -- A, I
22 don't know. And even if I did, I couldn't answer it.

23 But what are their tip fees? What are the
24 supplies of truck tires? Because most truck tires, I
25 would say -- the supply of ground rubber typically comes

1 from a truck tire, for two basic reasons: 1) It's all; 2)
2 there's less fluff in there, less non-rubber material; 3)
3 it's bigger, you get more rubber per unit.

4 Are there enough truck tires to go around? We
5 may be importing -- you may find that the truck tires may
6 be coming in and do the processing here. This is how the
7 marketplace works. Once you ramp up the demand for the
8 material, the marketplace will respond. And that to me is
9 the key, because that makes the system work, it makes it
10 work the most efficient manner possible with the least
11 grant money going out from the state.

12 So certainly there could be shifts in the supply
13 and demand of the raw material, and certainly there could
14 be an impact on the tipping fees if and when the demand
15 for the finished product goes up. And that's what we've
16 been preaching for the last 17 years, is push the end
17 markets, push the demand, the marketplace will respond and
18 do as well as can be done.

19 CHAIRPERSON BROWN: Thank you.

20 I have a question for you.

21 Oh, I'm sorry.

22 BOARD MEMBER PEACE: I was going to say, is there
23 any point that we should start considering banning tires
24 from the landfills?

25 MR. BLUMENTHAL: That's --

1 COMMITTEE MEMBER PETERSEN: Grand idea.

2 MR. BLUMENTHAL: That's a question that we've
3 raised years ago. And there are two sides to the
4 argument. One, if you do it before you have demand for
5 those -- for that product, they wind up in one of two
6 places. Either they wind up -- either they wind up in a
7 pile someplace or they wind up in a processor's yard as
8 inventory. These are lessons learned from, you know, 20
9 years out there.

10 The other argument would be that a lot of the
11 processors are saying markets come and go. Right now the
12 markets are flush. We can't -- we're sold out. We're
13 doing great. But if something happened and there was a
14 catastrophe and a market closed and we had no place to
15 take the tires, we need though landfills as a backup.

16 That's not one of my personal favorites. But
17 certainly it is something that the processing industry is
18 concerned about.

19 The other side of the coin is landfills still
20 need to be opened up for the byproducts from tire
21 processing. Not all of the processors make a very clean
22 product and you still have some of the residue from the
23 processing system that needs to be landfilled. That a
24 tire, no. But you just can't do a flat-out ban.

25 If you -- what we have been on record as saying

1 is you should consider a phased-out -- an over time
2 phasing out approach. That gives you best of both. One,
3 that gives you time to increase the markets. You know
4 what your timeline is. You can always extend that
5 timeline.

6 Secondly, it works to the marketplace. And so
7 that the landfills know that over time they're going to
8 have a lesser number of tires coming in there. They may
9 adjust their prices. The industry will have to respond
10 with their pricing structure. So a more ordered phasing
11 out. If you would go that way, it probably would be the
12 more advantageous way. Just a ban would upset the
13 marketplace and you probably have more short-term problems
14 than you would really want.

15 CHAIRPERSON BROWN: Okay. My question, Gary,
16 actually is not a question. But now that you brought PIA
17 up -- and I'm not sure that anybody has this answer -- but
18 has PIA contemplated a requirement that they use
19 California-generated waste tires in the production of
20 their rubber mats, do you think?

21 COMMITTEE MEMBER PETERSEN: Michael, help me.

22 MR. BLUMENTHAL: I don't know.

23 COMMITTEE MEMBER PETERSEN: Do you know?

24 Does anybody know?

25 TIRE MANAGEMENT BRANCH MANAGER DELMAGE: Yes.

1 COMMITTEE MEMBER PETERSEN: Thank you, Mitch.

2 CHAIRPERSON BROWN: Is that part of a
3 requirement, that they'll use California-generated waste
4 tires, or do they just want to make mats for money?

5 TIRE MANAGEMENT BRANCH MANAGER DELMAGE: What
6 they indicated is that they would make it a requirement.
7 I have not seen anything in writing that it will be made
8 into a requirement, just that they -- you know, during the
9 information that they sent out to everybody, they
10 indicated that that would be a requirement.

11 CHAIRPERSON BROWN: That's good.
12 Terry.

13 MR. LEVEILLE: Hi. Terry Leveille, TL &
14 Associates.

15 That is correct. They did make a verbal
16 commitment.

17 However, it looks as if over the last week or two
18 that we've seen a little bit different direction from PIA.
19 And rather than taking on the role and responsibility of
20 actually manufacturing products with crumb rubber and
21 developing a whole system with equipment and the like,
22 they may be looking more toward trying to attract current
23 tire product manufacturers into joint venture activities.

24 That would mean they would provide space at a
25 very minimal cost and they would provide the inmate

1 workforce. The inmate workforce would be paid the same
2 amount that workers are paid on the outside. The
3 companies that decided to go in with the joint venture --
4 and they're very -- the PIA has been very active in trying
5 to attract joint ventures -- the company would be in
6 charge of the immediate supervision of the workplace, with
7 of course the Corrections being in charge of the overall
8 supervision.

9 But the companies would be given certain benefits
10 and some certain tax advantages, some workers comp reduced
11 costs and the like. And from what I understand is there's
12 a couple of companies that have already contacted PIA
13 about this.

14 COMMITTEE MEMBER PETERSEN: Okay. Where is the
15 industry here on this? Where are you guys on this?

16 MR. LEVEILLE: Well, I think the industry is all
17 over the -- there's no such thing as the industry.

18 COMMITTEE MEMBER PETERSEN: I'm sorry.

19 MR. LEVEILLE: There's individual companies --

20 COMMITTEE MEMBER PETERSEN: How about fair play?

21 MR. LEVEILLE: -- that are competing amongst each
22 other, between each other. And some are interested in at
23 least exploring working with a joint venture with PIA.

24 COMMITTEE MEMBER PETERSEN: Okay.

25 MR. LEVEILLE: There's no -- as I say, there's no

1 one industry there. You know, it's dog eat dog.

2 COMMITTEE MEMBER PETERSEN: Yeah, it is.

3 CHAIRPERSON BROWN: Thank you, Terry.

4 Okay. Rosalie.

5 COMMITTEE MEMBER MULÉ: Madam Chair, I'd like to

6 move this item, but I think we have some --

7 CHAIRPERSON BROWN: Are you sure?

8 COMMITTEE MEMBER MULÉ: -- I think we -- yeah, am

9 I sure about that?

10 But I think we have some revisions. So I'm going
11 to defer to Legal on the -- I'd like to move Resolution
12 2006-121, but add revised to include the recommendation by
13 Board Chair Brown that if the -- if we're oversubscribed,
14 preference would be given to first-time users. And then
15 the second revision would be the two-tier approach that
16 you had presented in your memo, whereby we would favorably
17 view the \$5 per tire applicants. And then if there are
18 funds left over, we would then look at the \$7 per tire
19 applicants.

20 CHAIRPERSON BROWN: Can we do that?

21 ACTING CHIEF COUNSEL BLOCK: Absolutely.

22 CHAIRPERSON BROWN: Can I have a second?

23 COMMITTEE MEMBER PETERSEN: I'll second it.

24 CHAIRPERSON BROWN: It's been moved by Member
25 Mulé and seconded by Member Peterson.

1 Kristen, Can you call the roll.

2 COMMITTEE SECRETARY GARNER: Mulé?

3 COMMITTEE MEMBER MULÉ: Aye.

4 COMMITTEE SECRETARY GARNER: Petersen?

5 COMMITTEE MEMBER PETERSEN: Aye.

6 COMMITTEE SECRETARY GARNER: Brown?

7 CHAIRPERSON BROWN: Aye.

8 And can we still move that to the fiscal consent

9 agenda, or do we need to --

10 ACTING CHIEF COUNSEL BLOCK: It's basically the

11 pleasure of the Committee. If you believe that the

12 direction is pretty straightforward, you -- staff is

13 obviously going to have to revise the resolution in some

14 other documents.

15 CHAIRPERSON BROWN: Distribute it.

16 ACTING CHIEF COUNSEL BLOCK: You could put it on

17 consent. And if for some reason one of you thinks it --

18 CHAIRPERSON BROWN: -- it needs to be pulled for

19 further discussion --

20 ACTING CHIEF COUNSEL BLOCK: -- one of the

21 members that is not here, it could be pulled from consent?

22 CHAIRPERSON BROWN: Okay. Let's put it on fiscal

23 consent.

24 Thank you.

25 And now we'll move to Agenda Item 16.

1 DEPUTY DIRECTOR LEE: Thank you, Madam Chair.

2 Committee Item D, Board Item 16, is consideration
3 of reallocation of Fiscal Year 2006-7 funds.

4 EXECUTIVE DIRECTOR LEARY: Excuse me, Jim, just
5 for a second. Mark over here.

6 That wasn't a fiscal item. So we would put it on
7 consent. So it wouldn't necessarily be discussed --

8 CHAIRPERSON BROWN: Because the scope of work --
9 it's a criteria, not -- okay.

10 EXECUTIVE DIRECTOR LEARY: Right. So it wasn't
11 an award.

12 So I would encourage the members who are on this
13 Committee to raise questions, take it off consent to make
14 sure we have common understanding of this item given the
15 revisions made by the Committee.

16 But if they're straight with it and we're
17 straight with it, then full speed ahead.

18 CHAIRPERSON BROWN: Do you mean to say that
19 members who are not here --

20 EXECUTIVE DIRECTOR LEARY: -- are not here.

21 CHAIRPERSON BROWN: -- if they have questions,
22 should remove it?

23 EXECUTIVE DIRECTOR LEARY: Yes.

24 CHAIRPERSON BROWN: Okay.

25 EXECUTIVE DIRECTOR LEARY: But I think the

1 direction was straightforward, and it's certainly eligible
2 for consent. And I think we understand the direction.

3 CHAIRPERSON BROWN: Regular consent.

4 EXECUTIVE DIRECTOR LEARY: Great. Thank you.

5 CHAIRPERSON BROWN: Thank you.

6 Now, Jim, go ahead.

7 DEPUTY DIRECTOR LEE: Thank you, Madam Chair.

8 Committee Item D, Board Item 16. It's
9 consideration of reallocation of Fiscal Year 2006-7 funds
10 and scope of work for the Tire Retread Targeted Outreach
11 Materials and Promotional Training Contract.

12 This is a project which staff feels has merit,
13 which was suggested to us by our stakeholders during last
14 year's reallocation process. Pursuant to Board direction,
15 we are bringing this back for funding consideration as
16 part of an early reallocation.

17 The proposed project cost is \$75,000, which staff
18 recommends be taken from the \$650,000 allocation for
19 support of other market -- CIWMB market development
20 activities.

21 This determination was made after consultation
22 with our market development staff, who indicated that the
23 loss of these funds would not adversely affect planned
24 activities for this fiscal year.

25 The Board of course retains the prerogative to

1 utilize funds from any other five-year plan -- should they
2 desire.

3 I'll now ask Victoria Rocha to make the remainder
4 of the staff presentation.

5 (Thereupon an overhead presentation was
6 Presented as follows.)

7 MS. ROCHA: Thank you, Jim.

8 Good morning, Madam Chair and Committee members.

9 I am Victoria Rocha from the Tire Management Branch of the
10 Product Promotion Assistance Section.

11 --o0o--

12 MS. ROCHA: At the present time many public
13 sector fleets in California are not taking advantage of
14 the benefits of retreaded tires, unfortunately because of
15 perception that retreaded tires are less safe than new
16 tires, a perception that is not based on facts, making
17 public sector fleets managers dismiss retreaded tires
18 without educating themselves of the many technology
19 advances in the retreading industry over the years.

20 The truth is retreaded tires produced in modern
21 retreaded plants have similar or even lower failure rates
22 rather than new tires.

23 --o0o--

24 MS. ROCHA: The objective of this scope of work
25 is to educate local and state government agencies of the

1 benefits of using retreaded tires and to increase the
2 number of retreaded tires purchased, as well to reduce the
3 cost of tires for state agencies including the public
4 sector fleets.

5 --o0o--

6 MS. ROCHA: The contractor will conduct a survey
7 with the Board to determine an estimated baseline for the
8 purchase rate of retreaded tires by public sector fleets
9 including cities, counties, and state agencies. They will
10 prepare a list to target promotional outreach as
11 identified in the survey. They will develop and provide
12 technically-based scripts and story boards for two
13 separate DVDs consisting of economic and environmental
14 benefits and basic proper tire maintenance. They will
15 write and produce master copies of the DVD, and the Board
16 will reproduce the DVDs in-house.

17 --o0o--

18 MS. ROCHA: The contractor will also provide
19 training using DVDs and other technical material. They
20 will prepare an interim report regarding the outreach
21 efforts. They will conduct a survey to determine the
22 increase in purchase of retreaded tires by public sector
23 fleets resulting from the outreach efforts. And, lastly,
24 they will prepare a final report regarding outreach effort
25 and survey.

1 --o0o--

2 MS. ROCHA: The funding sources from the
3 five-year plan for the Waste Tire Recycling Management
4 Program, Third Edition, covering Fiscal Years 2005-06
5 through 2009-10 reallocates 75,000.

6 --o0o--

7 MS. ROCHA: Staff recommends that the Board
8 approve 75,000 from the market development and new
9 technology activities for waste and used tires support of
10 other CIWMB market development activities, which is funded
11 at 650,000.

12 Also staff recommends the Board approve the
13 proposed scope of work for the retread target outreach
14 materials and promotional training and adopt Resolution
15 No. 2006-122.

16 This concludes my presentation. Thank you. And
17 do you have any questions?

18 CHAIRPERSON BROWN: Thank you, Victoria.

19 Do we have any questions of staff?

20 We do have one speaker.

21 Terry Leveille.

22 MR. LEVEILLE: Madam Chair, Committee members and
23 Board Member Peace. Terry Leveille of TL & Associates,
24 representing the Tire Retread Information Bureau, which
25 is -- we understand fully the program. We applaud the

1 Board's effort to try and diversify its tire recycling and
2 waste reduction program. And we fully support this
3 contract, knowing full well that it is going out to bid.
4 And thank staff for its effort in this regard.

5 CHAIRPERSON BROWN: Thank you.

6 Any questions?

7 Can I have a motion?

8 COMMITTEE MEMBER MULÉ: Madam Chair, I'd like to
9 move Resolution 2006 --

10 BOARD MEMBER PEACE: Can I just say one thing?

11 In the item here it says that 75,000 will come
12 out of an existing line item and that line item will be
13 determined by the Board.

14 Have we determined that already?

15 You already did?

16 DEPUTY DIRECTOR LEE: Staff made the
17 recommendation that it come out of the 650,000 for the
18 CIWMB --

19 BOARD MEMBER PEACE: Yeah, the other market
20 development?

21 DEPUTY DIRECTOR LEE: Exactly.

22 BOARD MEMBER PEACE: That's perfect.

23 Yeah, thank you.

24 COMMITTEE MEMBER MULÉ: Okay. I'd like to move
25 Resolution 2006-122.

1 COMMITTEE MEMBER PETERSEN: I'll second that.

2 CHAIRPERSON BROWN: It's been moved by Member
3 Mulé and seconded by Member Peterson.

4 Kristen, can you call the roll.

5 COMMITTEE SECRETARY GARNER: Mulé?

6 COMMITTEE MEMBER MULÉ: Aye.

7 COMMITTEE SECRETARY GARNER: Petersen?

8 COMMITTEE MEMBER PETERSEN: Aye.

9 COMMITTEE SECRETARY GARNER: Brown?

10 CHAIRPERSON BROWN: Aye.

11 I think that goes on fiscal consent, right?

12 MS. MARTIN: Excuse me. Can I just make some
13 clarification about the previous item?

14 CHAIRPERSON BROWN: Sure.

15 MS. MARTIN: There was just some concerns about
16 having not received a grant for the past two years. And
17 then would you want the first priority go to the 5 and
18 then to the 7?

19 COMMITTEE MEMBER MULÉ: Right.

20 MS. MARTIN: And then if they haven't received --

21 COMMITTEE MEMBER MULÉ: We were having some
22 discussion on that. And I think that you all can work it
23 out. I mean I believe that's -- Mitch, do you want to
24 address that?

25 TIRE MANAGEMENT BRANCH MANAGER DELMAGE: Yeah, if

1 we can -- the way -- after the discussion, the way I
2 envisioned it there would be four tiers. The top tier
3 essentially would be, hasn't had a grant, \$5. Second tier
4 would be, hasn't had a grant, \$7. Then it would be, has
5 had a grant, \$5; and has had a grant, \$7.

6 CHAIRPERSON BROWN: I support that.

7 COMMITTEE MEMBER MULÉ: I concur. Thank you.

8 CHAIRPERSON BROWN: Is that okay with everybody?

9 COMMITTEE MEMBER PETERSEN: I'm fine.

10 MS. MARTIN: Thank you.

11 CHAIRPERSON BROWN: Great.

12 Previous item on fiscal consent.

13 And that exhausts our agenda for today -- and me.

14 So we'll adjourn the meeting.

15 (Thereupon the California Integrated Waste
16 Management Board, Special Waste Committee
17 adjourned at 11:45 a.m.)

18

19

20

21

22

23

24

25

1 CERTIFICATE OF REPORTER

2 I, JAMES F. PETERS, a Certified Shorthand
3 Reporter of the State of California, and Registered
4 Professional Reporter, do hereby certify:

5 That I am a disinterested person herein; that the
6 foregoing California Integrated Waste Management Board,
7 Special Waste Committee meeting was reported in shorthand
8 by me, James F. Peters, a Certified Shorthand Reporter of
9 the State of California, and thereafter transcribed into
10 typewriting.

11 I further certify that I am not of counsel or
12 attorney for any of the parties to said hearing nor in any
13 way interested in the outcome of said hearing.

14 IN WITNESS WHEREOF, I have hereunto set my hand
15 this 16th day of June, 2006.

16

17

18

19

20

21

22

23 JAMES F. PETERS, CSR, RPR

24 Certified Shorthand Reporter

25 License No. 10063

Please note: These transcripts are not individually reviewed and approved for accuracy.